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UNCLAS SECTION 01 OF 03 AMMAN 000585

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STATE FOR NEA/ARN
USDOC 4520/ITA/MAC/OME/NWIEGLER
PASS TO USTR - E. SAUMS

E.O. 12958: N/A

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SUBJECT: COMMERCE A/S LASH RAISES TRADE ISSUES WITH DPM
HALAIQA

REF: A. AMMAN 460

[B](#). 03 AMMAN 7182

[C](#). 03 AMMAN 6449

[D](#). 03 USDOC 3249 (27 JUNE 2003)

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[1](#). (SBU) SUMMARY: Department of Commerce Assistant
Secretary William Lash and Ambassador Gnehm met January 10

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with Deputy Prime Minister and Minister of Industry and Trade
Mohammad Halaqi to review bilateral trade issues and discuss
the prospects for Jordanian companies doing business in Iraq.

While praising Jordan as a model of trade relations and
economic reform in the region, A/S Lash raised key
intellectual property rights (IPR) issues of concern to U.S.
industries. He also called on the Government of Jordan (GOJ)
to re-think its DAMAN pre-shipment inspection program (Refs),
which could block market access. Halaqi showed
understanding of the issues and agreed to a follow-on meeting
with the GOJ agency sponsoring the DAMAN program. Halaqi
expressed his appreciation for the fact that Jordanian
companies could compete for \$18 billion in Iraq
reconstruction contracts, and asserted that the GOJ would
help facilitate these and Jordanian-Iraqi joint ventures in
an effort to assist Iraq over the long term. END SUMMARY.

[2](#). (U) A/S Lash and the Ambassador called on DPM Halaqi at
his Prime Ministry office. They were accompanied by Fred L.
Schwien of the Office of the Secretary, Department of
Commerce; Laurie Farris, Embassy Amman Commercial Counselor;
Naomi Wiegler, International Trade Administration, Department
of Commerce; and Greg Lawless, Economic Officer (notetaker).
The atmosphere was informal on a Saturday afternoon (when
most offices are closed). DPM Halaqi displayed the full
range of his character as a warm host, a proud champion of
economic reform, a committed and well-informed trade partner,
and an excited participant in the January 11-13 Iraq OUTREACH
2004 trade show, which he planned to kick off that evening.

Jordan as a Model; IPR Issues

[3](#). (SBU) A/S Lash, noting that Jordan was a model of trade
liberalization and economic reform in the region, said the
overall trade relationship was good and that the U.S. was
looking forward to expanding our partnership. Halaqi
interjected with a story about the U.S. Arab Economic Forum
held in Detroit last September. When Arab League Secretary
General Amr Moussa spoke he did not even mention Jordan, said
Halaqi, who later went up to Moussa to let him know that he
had noticed. Halaqi said with a grin that he told Moussa
Jordan didn't mind the lack of an AL endorsement because
Jordan didn't need it. A/S Lash responded that both he and
State Department Assistant Secretary for Economic and
Business Affairs Wayne had talked about promoting the
Jordanian model of economic reform.

[4](#). (U) With such a strong bilateral relationship, continued
A/S Lash, the USG wants to do more, including to see that new
copyright legislation is passed by the GOJ. There are IPR
issues regarding information technology (IT) and also with
phonograms and the USG would like to see new legislation in
these two areas. Of course, he continued, when everyone is
using licensed software, life is simple. IPR enforcement is
another area where the USG has an interest, said A/S Lash who
offered to help with an awareness campaign that derives from
U.S.-based industries. The USG would follow up on this and
could supply some information, if needed, he continued,
noting that concerned industries would have a vested interest
in an awareness campaign.

[5](#). (SBU) DPM Halaqi replied that the GOJ had done some
work on copyright legislation, recently having reviewed the
issue with Ambassador Gnehm (Ref A). Everything should be
fine in this area and the U.S. should be happy about it, he
averred. The GOJ had made commitments regarding use of
licensed software, he noted (FTA, Article 4, para 15; see

Reftel A regarding a new effort by the GOJ to circulate a notice on authorized use of software). This is very important to the GOJ, because credibility is very important; the GOJ does what it says, he noted. To attract investors it is also important to fulfill commitments, he said. Noting that bureaucracy and lack of resources hamper the GOJ's efforts, the good intentions are there, he added. The GOJ could use some help in IPR, although lawyers in the private sector sometimes consult. The USAID program on Achievement in Market Friendly Initiatives and Results (AMIR) was another source of assistance, he said. He would let the USG know if further assistance was needed on IPR.

DAMAN - The Trade Barrier Keeps Growing

16. (SBU) A/S Lash asserted that whenever he has seen pre-shipment inspection regimes, they have always presented trade problems. Usually these programs are seen in least developed countries, in Latin America and Africa, he continued. The DAMAN program sponsored by the Jordan Institute of Standards and Metrology (JISM) was such a program, though A/S Lash acknowledged the concerns raised by a JISM study that showed that current border controls did not adequately assure consumer and environmental safety. Nonetheless, he continued, there was no evidence of any consumer damage from U.S.-manufactured products. The DAMAN program was discriminatory in that it did not apply to Jordanian products and the potential inspections slowed down trade flows, he concluded.

17. (SBU) DPM Halaiga responded that the GOJ did not mean for DAMAN to be a trade barrier or discriminatory. It would be applied to domestic industries soon, he said. The GOJ wants trade to be smooth. Since notifying the WTO about the program, the GOJ has not received a formal complaint, he added. He said that he would examine the volume of trade affected and the time that it was taking. If there was a problem, he would take action, he said. (NOTE: French firm Bureau Veritas, which runs the DAMAN program, told the Embassy that only certain industries are targeted for the first half of 2004 under a limited licensing program. BV Regional Manager Andrew Yell has not committed to a set timeline by which a the domestic program, originally set to start in 2007, would be up and running, saying only that BV is "working with the government." On volumes, BV told the Embassy that about USD 3 million in U.S. goods have been affected over the first four months, including about USD 1 million in new automobiles. However, this does not include GM cars from South Korea, which is the third most affected country in the program, after Japan and China. END NOTE.)

18. (SBU) A/S Lash said that the USG compiles an estimate of trade barriers. It is a big book that is now being assembled and the interagency process will be looking at Jordan. DPM Halaiga agreed with A/S Lash that Jordan would not want to be listed for trade barriers, especially as an FTA partner. Another form of barrier in the DAMAN system, A/S Lash continued, was the mis-use of standards, including those used for IT products and for automobiles. The USG recognized multiple international standards, he said, but the combination of EU standards used in DAMAN and the small presence of BV labs in the U.S. did not help our exporters. Others in the USG delegation raised the fees U.S. exporters had to pay and the "real problems" posed by EU standards in the DAMAN program.

19. (SBU) DPM Halaiga replied that DAMAN applies to only 40 items and if a manufacturer has a certified product they only have to submit the paperwork to Bureau Veritas. This could benefit the U.S. The GOJ is importing more goods from Asia which are of very poor quality, he averred. The standards are "a mix" of European and other standards he said. (NOTE: In a January 8 briefing to the diplomatic community by Bureau Veritas, Andrew Yell revealed that Jordan will be expanding the DAMAN program to include other electronics, electronic parts, and medical equipment, among other product categories. END NOTE.)

110. (SBU) A/S Lash said that the use of multiple standards was acceptable so long as they were standards openly developed and used. Expressing the hope that there was not a perceived rift on this issue, A/S Lash said that some nations use standards as a way to block market access or steal market share. That and the extra paperwork and fees required by DAMAN would mean that U.S. exporters will complain to Secretary Evans, who will then ask A/S Lash to fix the

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problem. He hoped that the issue could be addressed before that happened, he said.

111. (U) DPM Halaiga said that he would arrange to have a meeting between a U.S. representative and JISM Director General Ahmad Hindawi, in Halaiga's presence, so that the issue could be clarified. The Ambassador thanked DPM Halaiga for this offer, saying that he knew that the DPM would work

on the issue from the right point of view.

Iraq Reconstruction

12. (SBU) In an exchange on Jordan's role in Iraq's reconstruction DPM Halaiqa expressed appreciation for U.S. support in such endeavors as the Iraq OUTREACH 2004 trade show, but noted that follow-up was key. He also referred to an MOIT program identifying potential U.S. company partners and matching Jordanian firms, which was receiving a good response. A side effort of the GOJ, he said, was to encourage Jordanian companies to join with Iraqi firms. The target is to work with Iraqis as sub-sub-contractors, he said, in an effort to assist Iraq over the long term.

13. (U) This cable has been cleared by Assistant Secretary Lash.
GNEHM